

INFORMATION LETTER

NATIONAL CANNERS ASSOCIATION

Not for
Publication

For Members
Only

No. 1691

Washington, D. C.

July 26, 1958

One Hour of Labor Buys Much Larger Volume of Canned Food Today than 10 Years Ago, Despite Big Gain in Wage Rates

The BLS consumer price index for all items in June moved up only one-tenth of 1 percent from May. The consumer price index for all foods showed no change. The index for all canned foods was 7/10 percent higher, and for canned fruits and vegetables as a group the index was 1 percent higher in June than in May.

Retail prices of three canned food products registered gains of more than 1 percent from May to June, according to the BLS report. Canned orange juice was up 3.1 percent, tomatoes up 2.6 percent, and luncheon meat up 1.8 percent. Very slight price increases (0.5 percent or less) were reported for seven other canned products, while no change was reported for one item (salmon) and decreases were reported for four items: peaches, corn, tomato soup, and beans with pork.

The June index for all foods in the BLS retail price index was at 107.8 percent of the 1947-49 average. Canned fruits and vegetables were 110.6 percent of the base, compared with 121.6 percent for the index for all foods.

The number of minutes of labor required in 1958 to purchase a given quantity of the various canned foods is considerably less, for every product, than the number of minutes of labor required during the base period 1947-49. During the last 10 years the hourly wage for factory workers has increased by 57 percent while canned food prices increased less than 8 percent. Consequently, about 50 percent more canned food can be purchased in 1958 for each hour of labor than could be purchased 10 years ago.

For example, in 1958 less than 10 minutes of labor was required to purchase one No. 2 can of sliced pineapple, and 10 years ago it took almost 14 minutes to purchase the same item. To purchase a No. 303 can of corn in 1958 required only 5 minutes of labor compared with 7.5 minutes of labor to purchase the equivalent 10 years ago.

Following is a comparison of the number of pounds of canned foods

that could be purchased with one hour of labor 10 years ago and today:

Canned Product	Purchasing Power of One Hour of Labor		Percent change from 1947-49
	(pounds)	(pounds)	
Baby food.....	4.0	6.2	+55
Beans with pork..	0.4	14.0	+50
Catsup.....	5.3	8.5	+63
Corn.....	7.9	12.1	+53
Fruit cocktail....	5.1	8.1	+59
Luncheon meat....	2.0	3.2	+60
Evaporated milk....	8.8	12.7	+44
Orange juice.....	12.1	16.7	+38
Peaches.....	7.7	11.3	+47
Peas.....	6.3	10.1	+60
Pineapple.....	5.4	7.6	+41
Salmon.....	2.8	3.4	+21
Tomatoes.....	8.9	11.8	+33
Tomato soup....	7.3	11.5	+58
Tuna.....	1.5	2.6	+73

Small Business Tax Legislation

The House on July 21 passed and sent to the Senate the "Small Business Tax Revision Act of 1958," H. R. 13382, carrying the name of Representative Mills (Ark.), chairman of the Ways and Means Committee (see INFORMATION LETTER of July 19, page 225).

The Mills bill was referred to the Senate Finance Committee, which has before it another small business tax bill, S. 3194, sponsored by Senator Sparkman (Ala.) and 16 other Senators. The Sparkman bill is the outgrowth of hearings last fall by the Senate Small Business Committee, of which Senator Sparkman is chairman.

S. 3194 would allow a deduction, at the taxpayer's option, for certain investments in depreciable property or inventory, including the value of inventory at the close of a taxable year which exceeds the value of inventory at the beginning of the taxable year.

Other provisions of S. 3194 would authorize installment payments of estate taxes by estates comprised primarily of small business holdings; allow a deduction for amounts paid as a retirement deposit; enable certain corporations to be taxed as partnerships; and permit the use of new methods and rates of depreciation for used property.

FDA Appropriations Raised To Permit Agency Expansion

Appropriations for the Food and Drug Administration for the current fiscal year amount to \$9.8 million, an increase of half a million dollars over the funds available to the agency during the fiscal year ended on June 30.

The increase is intended to enable FDA to proceed with new district offices and to continue the threefold to fourfold expansion recommended some three years ago by the Citizens Advisory Committee.

Earlier this year the House had approved \$9.3 million, the same amount that was available during the preceding fiscal year, after the House Appropriations Committee had criticized the Budget Bureau and Department of Health, Education, and Welfare for not requesting more money (see INFORMATION LETTER of March 29, page 125).

The figure of \$9.8 million is the amount recommended for the FDA by the Senate Appropriations Committee and voted by the Senate, and approved in the conference report on the bill, H. R. 11645, on which Congress completed action July 18.

The Senate Appropriations Committee said, in its report, that the \$500,000 increase in funds over the preceding year would provide \$240,000 to fully staff the new Detroit district office and \$260,000 for laboratory and office equipment preparatory for the opening of a district office in Dallas, for which the Budget Bureau had denied funds.

FDA appropriations declined from 1952 to 1955, when the Citizens Advisory Committee submitted its report. Appropriations for FDA have been \$5,100,000 for fiscal 1955, \$5,484,000 for 1956, \$6,779,000 for 1957, \$9,300,000 for 1958, and \$9,800,000 for the current fiscal year, 1959.

FDA DISTRICT OFFICE APPOINTMENTS

George T. Daughters has been appointed Chief of the new Detroit district office and Howard M. Bollinger has been named Chief Chemist for the district. The Detroit district is the FDA's 17th field headquarters opera-

tion and the first new district added to the field organization in 24 years.

Mr. Daughters, who has been with the FDA for 30 years, has directed the Chicago district for the past 3½ years, and previously was chief of the Baltimore district. Mr. Bollinger has been with the FDA since 1936 and has been Chief Chemist of the Los Angeles district since 1951.

Status of Legislation

Agricultural trade development—S. 3420, to raise Title I authorizations from \$4 to \$7.5 billion and to extend P. L. 480 for two years, to June 30, 1960, was passed by the Senate March 20 and by the House, with amendments, July 23, and sent to conference.

Anti-dumping Act—H. R. 6006, to amend the Anti-dumping Act of 1921 so as to facilitate determinations under the Act, was passed by the House Aug. 29, 1957, and by the Senate, with an amendment, May 26, and sent to conference.

CCC equity payments—S. 2426 (Elder of La.), to authorize CCC to acquire title to unredeemed loan collateral without obligation to make equity payments, is pending before Senate Agriculture Committee.

Country Life Commission—H. R. 18504 (Hays of Ark.), to provide for the creation of a 25-member Country Life Commission to make broad recommendations on the total development of country life, was approved by a subcommittee of the House Agriculture Committee July 22.

Customs drawback—H. R. 9919, to amend the Tariff Act of 1930 to extend the privilege of substitution for the purpose of obtaining drawback upon reexportation of all classes of merchandise, was passed by the House Feb. 27.

Farmworkers housing—H. R. 9057, to provide for five-year amortization of housing facilities for farmworkers, was reported by House Ways and Means Committee Aug. 21, 1957.

FDA food additives—H. R. 3747 (Harris of Ark.) and S. 1895 (Hill of Ala.), the Administration-sponsored bill, H. R. 8390 (Harris of Ark.), H. R. 8629 (Wolverton of N. J.) and other food additives bills were the subject of hearings by the Health and Science Subcommittee of the House Commerce Committee in 1957 and April 15-16, 1958. N.C.A. supports H. R. 8390 and H. R. 8629. A new bill, H. R. 13254 (Williams of Miss.), was approved by the Subcommittee July 1.

Federal preemption—H. R. 3, to modify the doctrine of federal pre-emption, was passed by the House July 17.

Fisheries loan fund—S. 2720, to increase the loan fund authorization from \$10 million to \$13 million, was passed by the Senate Aug. 20, 1957. S. 3295, to increase the authorization from \$10 to \$20 million, was passed by the Senate May 29.

Food stamp plan—H. R. 13054, to direct the Secretary of Agriculture to establish a food stamp plan, was approved by House Agriculture Committee June 25.

ICC agricultural exemption—S. 3778, including the proposal to terminate the 208(b)(6) exemption for frozen fruits and vegetables, was passed by the Senate June 11 and by the House June 27, with amendments, and sent to conference; the conference report was filed July 24.

ICC private carrier definition—S. 3778, including the provision amending the definition of a private motor carrier so as to stop "buy-and-sell" trucking, was passed by the Senate June 11 and by the House June 27, with amendments, and sent to conference; the conference report was filed July 24.

Marketing orders—H. R. 8367 (Sisk of Calif.) is designed to authorize the Secretary of Agriculture to continue marketing orders in effect even after parity is reached. No action scheduled.

Marketing orders, cranberries—S. 1680 (10 Senators from 5 cranberry producing states) and other bills to amend the Agricultural Marketing Agreement Act so as to authorize marketing orders for cranberries for canning, were the subject of hearings by a Senate Agriculture Subcommittee April 20, 1957. N.C.A. opposes.

Mexican farm labor—H. R. 10360 (Gathings of Ark.), to extend the authority under P. L. 78, 82d Congress, to import Mexican nationals for employment in agriculture, was the subject of hearings by a House Agriculture Subcommittee Feb. 28-March 3, June 9-12, and June 20. N.C.A. supports.

Packers and Stockyards Act—S. 1356 (O'Mahoney of Wyo.), to transfer antitrust jurisdiction over meat packing operations from USDA to FTC, was passed (as recommended by the Agriculture Committee) by the Senate May 15.

H. R. 9020, to retain USDA jurisdiction on exclusive meat packing operations, was reported by House Agriculture Committee July 9, 1957.

Potato marketing and labeling—A number of bills to prohibit the sale of potatoes of a lower grade than U. S. No. 2, under certain conditions, were the subject of hearings by the House Agriculture Committee and by the Senate Agriculture Committee in 1957. N.C.A. opposes application to canning.

Premerger notification—H. R. 7698 (Celler of N. Y.), to require 60 days notice prior to merger of corporations

having total book value of more than \$10 million, was reported by House Judiciary Committee May 28, 1957. Similar legislation, with amendments, was approved by the Senate Antitrust Monopoly Subcommittee June 26 and is pending before the Senate Judiciary Committee.

Puerto Rico minimum wage—H. R. 12967, to authorize biennial reviews of wage rates in Puerto Rico which are below the statutory minimum, rather than annual reviews, was reported by House Labor Committee July 21.

Raw product bargaining—H. R. 6799 (Bow of Ohio) and H. R. 7807 (Bentley of Mich.), to authorize cooperative associations of producers to bargain with purchasers singly or in groups, are pending before House Judiciary Committee. S. 2444 (Aiken of Vt.) was passed by the Senate July 15, with an amendment limiting its application to milk, and has been referred to the House Judiciary Committee.

Robinson-Patman Act—S. 11 (Keauver of Tenn.) and H. R. 11 (Patman of Tex.), to restrict the good faith defense against a charge of price discrimination, was approved without recommendation, by Senate Antitrust Subcommittee June 21, 1957, and a substitute measure, which would apply only to foods, drugs and cosmetics, was approved by the Senate Judiciary Committee June 23; the substitute is to be formally reported to the Senate as soon as majority and minority reports are collated.

Small Business Administration—H. R. 7963, to extend the life of the SBA and to revise its authority, was signed by the President July 18 and is P. L. 85-536.

Small business tax revision—H. R. 13382, to provide tax revision for small business, was passed by the House July 21 (see story, page 229).

Trade Agreements Act—H.R. 12591 (Mills of Ark.), to amend and extend the Trade Agreements Act for five years as recommended by the Administration, was passed by the House June 11 and by the Senate, with amendments, July 22, and sent to conference.

Wage-Hour—S. 1853 (Kennedy of Mass.), which includes proposal to eliminate overtime fishery exemption, was approved, without recommendation, by Senate Labor Subcommittee May 7, 1957.

Waste disposal—H. R. 1082 (Byrnes of Wis.), H. R. 2463 (Lipscomb of Calif.), and H. R. 4134 (Simpson of Pa.), to allow rapid amortization of waste disposal facilities and treatment works, have been introduced. N.C.A. supports the proposal, which is before House Ways and Means Committee.

Green Peas for Processing —Indicated Production

Green pea production prospects for 1958 improved about 7 percent during the first half of July, and on July 15 a total of 452,950 tons was indicated for canning and freezing, according to the Crop Reporting Board of USDA. This is 19 percent less than the 557,690 tons harvested in 1957 but is 4 percent above the average of 437,600 tons for the preceding 10-year period.

Ideal growing conditions in most of the central and eastern states during June and July have enabled peas to make remarkably good growth following earlier adverse weather. Yields in the East have been much heavier than last year. Yields in the Midwest are exceeding last year's in all states except Wisconsin. In the West yields are comparatively light. The California crop was damaged by excessive rain, and peas in the Northwest were damaged extensively by high temperatures in June. The average yield for the U. S. as a whole was indicated at 2,417 pounds per acre on July 15, compared with 2,257 pounds indicated on July 1 and 2,455 pounds harvested in 1957.

State	Production		1958 Indi- cated from 1957 (tons)	Per- cent change from 1957 (tons)
	1947-56	1957		
Maine	7,100	10,400	9,600	-8
N. Y.	19,400	20,000	16,680	-17
Pa.	14,600	10,500	10,540	...
Ind.	2,400	1,670	2,250	+35
Ill.	27,300	41,810	37,500	-10
Mich.	4,400	5,970	6,000	-1
Wis.	125,800	164,000	119,600	-37
Minn.	47,400	63,840	54,000	-15
Del.	2,000	5,970	9,150	+53
Md.	9,800	9,980	11,600	+16
Va.	1,800	1,160	1,170	+1
Idaho	11,700	11,130	9,000	-19
Wash.	70,600	90,750	81,000	-10
Ore.	58,100	71,230	56,700	-20
Calif.	11,000	13,550	5,880	-57
Other states*	28,100	26,620	22,280	-16
U. S. Total	437,600	557,690	452,950	-19

* Ark., Colo., Iowa, Kans., Mo., Mont., Nebr., N. J., Ohio, Okla., Tenn., Utah, W. Va., and Wyo.

Canned Peas for School Lunch

USDA announced July 22 that it contemplates buying canned peas of the 1958 pack for use in the National School Lunch Program. Offers will be considered on canned peas meeting requirements of U. S. Grade B or better and packed in No. 10 or No. 303

size cans; however, No. 10 cans are preferred.

Invitations to offer canned peas for school lunch use, including detailed specifications, were mailed by USDA to pea canners this week.

Offers must be received by the Fruit and Vegetable Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C., by August 1, for acceptance by August 8. Delivery will be required from August 25 through September 29.

Further details regarding this purchase (FV-256) may be obtained from Claude S. Morris of the Fruit and Vegetable Division (Republic 4142, extension 2781).

1958 Acreage of Sweet Corn for Canning

The planted acreage of sweet corn for canning in 1958 totals 340,223 acres, 13 percent less than the 1957 plantings of 392,672 acres, according to a report by the N.C.A. Division of Statistics.

The figures are for plantings of both white and golden varieties as reported by all canners known to be packing corn in 1958, except for two canners for whom estimates were made. The report covers only sweet corn for canning and does not include acreage planted for freezing or other forms of processing.

The preliminary estimate by the USDA Crop Reporting Board of the planted acreage of corn for canning and other processing, except freezing, is 339,970 acres (see INFORMATION LETTER of June 28, page 207).

ACREAGE OF SWEET CORN FOR CANNING (WHITE AND GOLDEN)

State	Planted Acreage		Per- cent change from 1957
	(acres)	(acres)	
East:			
Me., Vt., and N. H.	5,448	4,650	-15
New York	13,851	10,972	-21
Maryland	22,143	23,740	+7
Pennsylvania	9,488	6,770	-29
Other Eastern states ^a	3,516	2,516	-20
Midwest:			
Ohio	6,815	6,137	-10
Indiana	21,178	25,016	+12
Illinois	61,779	51,150	-17
Wisconsin	112,066	103,368	-8
Minnesota	84,276	66,640	-21
Iowa and Nebraska	19,349	9,227	-52
Other Midwest states ^b	4,617	3,970	-14
Western states^c:			
U. S. Total	27,546	26,061	-5
U. S. Total	302,672	340,223	-13

^a Del. and Va. ^b Ark., La., Mich., Okla., Tenn., and Texas. ^c Colo., Idaho, Mont., Ore., Utah, Wash., and Wyo.

ACREAGE OF WHITE VARIETIES FOR CANNING

Region	1957	1958
	(acres)	(acres)
East	4,455	6,544
Midwest and West	24,404	27,413
U. S. Total, White varieties	28,850	33,057

Stocks of Canned Foods on July 1 and Season Shipments

Reports on canners' stocks and shipments of canned apples, applesauce, RSP cherries, corn, pumpkin and squash, tomato juice, catsup, and chili sauce have been issued by the N.C.A.

Division of Statistics, and detailed reports covering the July 1 stock and shipment situation have been mailed to all packers of these products.

	Carry-over month	Case basis	Total Supply		Canners' Stocks, July 1		Season Shipments to July 1	
			1956-57	1957-58	1957	1958	1957	1958
Apples	Sept.	6/10	4,614	4,631	1,475	1,614	3,140	3,018
Applesauce	Sept.	actual	16,464	16,364	4,274	3,548	12,100	12,617
RSP cherries	July	actual	3,103	3,805	201	105	2,902	3,700
Corn	Aug.	actual	44,390	43,149	7,538	7,347	36,852	35,802
Pumpkin and squash	July	actual	4,613	4,201	1,357	*890	3,256	3,311
Tomato juice	July	actual	40,030	37,560	9,077	*8,471	30,953	29,089
Catsup	July	actual	33,151	31,200	7,180	*6,975	25,971	24,285
Chili sauce	July	actual	3,783	3,256	1,048	*965	2,704	2,291

* Carryover from 1957 pack into 1958-59 season.

REPORTS ON ASSOCIATION ACTIVITIES

Raw Products Research Bureau

The primary objectives of the Raw Products Research Bureau are:

(1) To determine the basic agricultural problems connected with the production of high quality canning crops, and to induce tax-supported agricultural experiment stations and federal agencies to initiate research projects to solve these problems.

(2) To keep the canning industry informed on new research developments in agriculture which may have direct or indirect application in the improvement of production of canning crops. Agricultural research literature is reviewed and *Raw Products Research Notes* are published and mailed to the canning industry on request. Talks on raw product problems are presented at various canners' and fieldmen's schools, and at special conferences by staff personnel.

(3) To work continually on a Canner-Grower Relations Program by keeping the various agricultural organizations informed on what the canning industry is doing for the grower, and by keeping in touch with various government agencies working on agricultural programs to see that the interests of the canner are safeguarded.

CANNER-GROWER RELATIONS PROGRAM

In cooperation with the Division of Statistics, the Raw Products Research Bureau distributed special statistical tables covering acreage, production, yields and prices for 10 vegetable crops and 12 fruit crops utilized for canning. These data were compiled from government sources and were supplied to canners for their fieldmen in order that they might be informed on matters relating to agricultural production. Charts illustrating various aspects of production, utilization costs and profits in fruit and vegetable canning were also made available to canners.

The Bureau staff presented "Dear Eddie" at canners' and fieldmen's schools as a suggested tool which could be used by canners to interest young people in the Canning Crops Contest. The purpose of the Contest, which is sponsored by the N.C.A. and the National Junior Vegetable Growers Association, was explained. The Bureau arranged for the visit of the 1957 national winner of the Canning Crops Contest, James T. Wormley of Oswego, Ill., at the Board of Directors meeting, where he was awarded an achievement plaque by Secretary Benson, and the staff directed his tour of Washington which included a visit to the USDA Plant Industry Station at Beltsville, Md.

SPECIAL RED SOUR CHERRY TECHNICAL CONFERENCE

A special technical conference on red sour cherries was held in Detroit March 10 and 11. Program arrangements were made by the Bureau in cooperation with the USDA Agricultural Research Service and state agricultural experiment stations in New York, Pennsylvania, Michigan, and Wisconsin.

CONFERENCES WITH RESEARCH PERSONNEL

Thirteen state agricultural experiment stations have been visited this year by Bureau personnel to discuss research projects of particular concern to the canning industry. These projects cover such subjects as breeding disease-resistant peas, breeding carrots and beets for canning, development of new peach varieties for canning, breeding of dwarf type tomato varieties, breeding Bartlett type pears resistant to fire blight, development of precision equipment for planting canning crops and equipment for harvesting vegetable crops, objective measures of maturity of fruits and vegetables, and new developments in pesticides and herbicides. Similar conferences were held with personnel in the Agricultural Research Service and Agricultural Marketing Service.

1958 DROSOPHILA BULLETIN

The staff held a meeting in March with entomological advisers from New York, Maryland, New Jersey and the USDA to revise the Drosophila bulletin to be issued in 1958. This conference was followed by meetings with government scientists, laboratory personnel and correspondence with the N.C.A. Berkeley Laboratory concerning

the work done by their staff on Drosophila control practices. The bulletin was sent to all tomato canners on June 2.

INDUSTRY SURVEYS ON SPECIAL SUBJECTS

The N.C.A. requested a delay in promulgation of the FDA order on DDT residue tolerances on sweet corn in order that the corn canning industry could submit evidence that the proposal would cause a sizable economic loss to corn canners. The Bureau sent corn canner members a questionnaire requesting information on the use of DDT for the control of corn earworm and European corn borer, data on residue levels in the resultant cannery husk and cob ensilage, and practices in feeding such ensilage to livestock. On the basis of data obtained in this survey, a counter-proposal was presented to the FDA on July 11.

In June, a special confidential questionnaire was sent to pea canners requesting information which could be used to evaluate the possibility of obtaining the true farm value of shelled peas. The primary objective is to determine whether it is possible to obtain figures on the farm value of a processing crop which would be comparable between producing areas.

T.A.C. ACTIVITIES

The Raw Products Technical Advisory Committee is very active and has made a number of contributions to the over-all canning industry. A member of the Bureau staff attends all T.A.C. meetings in order to provide a continuity of activity, and has assisted the following subcommittees in meetings this year: Precision Vegetable Planters Subcommittee, Mobile Viners Subcommittee, Seed Quality Subcommittee, Vegetable Projects Steering Committee, and the Tomato Projects Subcommittee.

TABLE OF CONTENTS

	PAGE
Association Activities	PAGE
Reports on Association activities: Raw Products Research Bureau	232
Congress	
FDA appropriations raised to permit agency expansion	229
Small business tax legislation	229
Status of legislation	230
Procurement	PAGE
Canned peas for school lunch	231
Statistics	
BLS consumer price index for June	229
Green peas for processing—indicated production	231
1958 acreage of sweet corn for canning	231
Stocks of canned foods on July 1 and season shipments	231